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FILED

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CLERK, U.S. DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA
BY
DEPUTY CLERK

December 27, 2004

Judge Dale Drozd
US Magistrate Judge
US District Court
501 I Street
Sacramento, CA 95814

Cr. s - 97 - 216 WBS OAO

Your Honor:

I plead that you take a look at my father's case. On January 20th he will be 78 years old and has been in federal prison since October of 2001. I enclose a case of someone who had a blatant tax scam who made a deal with the IRS and was only given 6 months for something far expansive than what my father was accused of. My father did not have information the IRS was interested in, so he could not forge the deal that this man made. This man was far more involved and could turn over a lot of people. My father could not and therefore must ridiculously suffer with 64 months!!!

My father has a year and a half to go in the 64 month sentence. My mother, his wife of 43+ years died suddenly in his absence in May 2002 and he could not even attend her funeral!

I beg that you look at the possibility of AT THE VERY LEAST home confinement with me, his daughter, (and my husband and three children) here in North Carolina. He is already here at nearby Seymour Johnson Federal Prison Camp. He is a model prisoner, teaches Spanish, attends yoga daily, and has done community service at the Habitat for Humanity Thrift Store and for the City of Goldsboro.

Sincerely,

M Jennifer de Lima
M. Jennifer de Lima



Confessions of a Tax Scammer

Offshore Banking Guru Reveals Secrets

By BRIAN ROSS and VIC WALTER

Dec. 10, 2004 - Federal officials say an undercover investigation by "20/20" helped expose one of the country's leading tax scammers, Jerome Schneider, who was sentenced Monday to six months in prison.

The original "20/20" report that aired in 1997 revealed how Schneider, through books and seminars, promised wealthy Americans a clever and legal way to help them keep their money from the Internal Revenue Service.

The IRS conducted its own investigation and concluded that Schneider's key scheme — involving offshore banks — was pure tax fraud. Schneider and his lawyer, Eric Wittmeyer, were eventually indicted by a federal grand jury in California on wire and mail fraud charges, as well as on conspiracy to defraud the IRS. In February, both men pleaded guilty to the conspiracy charge and agreed to cooperate with the government.

In fact, the U.S. District Court judge handling Schneider's case told him he could receive a reduced prison sentence if he went back on "20/20" and detailed his offenses. Schneider originally faced up to five years in prison for his crimes.

"Basically, shortly after '20/20' aired the piece, it was a chain of events that just led to my complete destruction," a visibly aged and well-worn Schneider, 53, told ABC News last month. "My world's fallen apart."

Wealthy businessmen, doctors, lawyers, celebrities and others paid big money to listen to Schneider's advice, either at seminars or in private consultations. His area of expertise was a special kind of offshore bank. Under this scheme, an American taxpayer could set up his own individual bank in a distant island locale where his money could be safely hidden. Schneider touted this as a legal tax haven. But the IRS disagreed. Because the taxpayer would keep control of the offshore money, the IRS concluded that the scheme was illegal under U.S. laws.

Seven years ago, when Schneider was confronted with the undercover footage ABC News had shot while attending one of his tax seminars in Cancun, Mexico, he walked out. At the time, Schneider said he was "absolutely not" helping people to evade paying taxes.

But now, with three IRS agents by his side, Schneider admitted to ABC that he broke the law. "Today, I'm contrite," he said. "I just want to do what I can to make it right."

Schneider said he has told the IRS everything he knows, and turned over his records, including contact information and transaction details.

'20/20' Exposure

<http://abcnews.go.com/2020/print?id=319988>

12/15/2004

Even after the "20/20" exposé aired, Schneider said that business was booming.

"Believe it or not, people saw your piece and called us and wanted to get involved," he said. "These are people that were very knowledgeable, and had gone the gamut to try and find ways to get out of paying taxes. And when they ran across me, they figured it was a good thing."

Schneider estimates he helped hundreds of clients, from entertainers to dentists, hide millions of dollars from the IRS. And many others paid to hear about his schemes, even if they did not ultimately follow them.

Actress Sandra Bullock acknowledged to "20/20" through her lawyer that Schneider was paid to meet with Bullock's father and lawyers so they could learn more about his scheme. But they say that neither she nor they acted on it nor did anything illegal. Similarly, lawyers for millionaire motivational speaker Tony Robbins say Schneider "may have proposed an offshore banking structure" in discussions with Robbins or his representatives, but said no offshore bank was ever established and no money hidden.

Schneider is now prepared to testify against former clients who did set up banks, despite having told them that everything they were doing was legal.

"I mean, they basically, their own greed motivated them to get out of paying taxes, and they knew that they'd have to face the music one day," Schneider said. "That's the only way that I can make this right is to cooperate with the government and set the record straight."

Having once made millions off his tax-avoidance schemes, Schneider said he is now completely broke and has nothing but regrets.

"I knew all the way along that I was wrong," he said. "And I am paying the price for it now."

Simon Surowicz, Maddy Sauer and Jessica Wang contributed to this report.

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